

IN THE

Supreme Court of the United States

OCTOBER TERM, 1942

NO. 402

JAMES HEDDON'S SONS,

Petitioner,

vs.

MILLSITE STEEL & WIRE WORKS, INC.

Respondent.

**PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE SIXTH CIRCUIT, AND BRIEF
IN SUPPORT THEREOF.**

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Chicago, Illinois
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SUBJECT MATTER INDEX

	PAGE
Petition:	
I. Summary Statement of Matter Involved	2
II. Basis for Jurisdiction	7
III. Questions Presented	8
Supporting Brief:	
Opinions Delivered in the Courts Below	11
Concise Statement of Jurisdictional Grounds	12
Concise Statement of the Case	12
Assigned Errors	12
Argument	14
Jurisdiction of the Supreme Court	14
Judicial Treatment of Color Trade-Marks	16
The Heddon Color Trade-Mark	34
The Baits Involved	40
Nature of the Relief Sought	42

INDEX OF AUTHORITIES

A. & J. Mfg. Co. v. Wallace & Sons Mfg. Co. (19 T. M. Rep. 207; 1 P. Q. 261)	18, 28
California Packing Corp. v. Tillman & Bendel (40 F. (2) 108)	41
Candee & Co., L. v. Hood Rubber Co. (7 T. M. Rep. 401)	18
Chicago Steel Post Co., ex parte (8 T. M. Rep. 463)	20
Columbian Rope Co. v. Hoover & Allison Co. (316 O. G. 703)	27
Dennison v. Scharf (135 Fed. 625)	37
Derenberg, Trade-Mark Protection, etc.	16, 31, 32

	PAGE
Durable Wire Rope Co., ex parte (6 T. M. Rep. 241)	19, 27
Erie v. Tompkins (304 U. S. 64)	15
Gandy Belting Co. v. Victor-Balata Co. (215 Fed. 795)	27
Goodrich Co., B. F. v. Hockmeyer (40 F. (2) 99)	41
Goodrich Company, B. F., ex parte (6 T. M. Rep. 597)	20
Gotham Silk Hosiery Co. v. Van Raalte Co. (15 T. M. Rep. 266; 16 T. M. Rep. 239)	18, 20
Horsman Co., E. I., ex parte (8 T. M. Rep. 463)	20
Hurm v. Oursler (289 U. S. 238)	43
Indianapolis Brush etc. Co. v. Joseph Lang Co. (2 T. M. Rep. 386)	19
Leschen v. American Steel & Wire Co. (12 P. Q. 272)	30
Leschen v. Broderick (201 U. S. 166)	8, 17, 21
Leschen v. Macomber (142 Fed. 289)	19
Lufkin Rule Co. v. Master Rule Co. (5 P. Q. 515)	27, 30
Meehan, David Charles, ex parte (6 T. M. Rep. 388)	27
Mishawaka Rubber etc. Co. v. S. S. Kresge Co. (86 L. Ed. 957)	18
Musher Fountain, Inc. v. Alba Trading Co. Inc. (53 P. Q. 82)	43
Pecheur Lozenge Co. v. National Candy Co. (53 P. Q. 11)	15
Smith, Kline & French Co. v. American Druggists Syndicate (11 T. M. Rep. 327)	21
Time. Inc. v. Viobin Corp. (54 P. Q. 13)	15
Trade Mark Act, 1905	14, 15
Turner & Seymour Co. v. A. & J. Mfg. Co. (16 T. M. Rep. 591)	18
Victor Talking Machine Co., ex parte (4 T. M. Rep. 128)	27
Weil-McLain Co. v. American Radiator Co. (6 P. Q. 89)	20, 21, 27
Wilson Fastener Co., ex parte (34 P. Q. 35)	27

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*To the Honorable Chief Justice and Associate Justices of
the Supreme Court of the United States:*

The petition of James Heddon's Sons (hereinafter sometimes called "Heddon") respectfully shows to this Honorable Court:*

* Throughout this petition and supporting brief, references to the Record means Volume 1 unless otherwise indicated; also all italics in quoted matter are ours unless otherwise indicated.

I.

Summary Statement of the Matter Involved.

Heddon is a manufacturer of fishing tackle made and sold continuously now for nearly forty years. It is a corporation of the State of Michigan and there located at Dowagiac, where it has been established since its beginning. The respondent, Millsite Steel & Wire Works, Inc. (hereinafter sometimes called "Millsite") is also a Michigan corporation, and its principal place of business is at Howell in that state. The acts of infringement alleged by Heddon were committed by Millsite commencing late in the year 1938 when it introduced for the first time a line of baits in close simulation of the most popular Heddon baits, placed in containers which bore a close imitation of the trade-mark which Heddon had extensively featured on its containers and otherwise since 1922.

Heddon's trade-mark, registered under the Act of February 20, 1905 (U. S. C. title 15, sec. 81 *et seq.*) "consists of a narrow red stripe", and it "is applied to one or more edges of the boxes, bags or containers for the goods, or to labels affixed thereto, by printing with red ink, stitching with red thread, or binding with red tape, along one or more edges thereof", according to the description that is contained in this registration granted in 1937 No. 345,384 (See Heddon Ex. 153, R(1)5, R(2)10), and the goods which bear this trade-mark are therein listed as "fishing rods, parts thereof, and cases therefor, artificial baits, artificial bugs and flies, fishing reels, fish stringers, fish floats, fish hooks, fish lines, and pork rind and chunk for hooks". Owing to the diverse character of these items, the trade-mark, *always in the form of a narrow red stripe applied to one or more edges of the containers therefor*, was affixed as by printing upon *boxes and cartons* wherein baits,

bugs, flies, hooks, etc. were packed, or *by printing upon round labels* affixed to ends of spools on which fish lines were wound, or *upon rectangular labels* affixed to the cases for fishing rods, or *by stitching with red thread or binding with red tape* upon fabric bags for containing fishing rods.

This trade-mark *in the field of fishing tackle* was new and unknown at the time of its adoption by Heddon in 1922. In the years that followed Heddon so publicized and featured this red edge mark that it became known throughout the United States and elsewhere as the badge of genuine Heddon goods. As part of the educational campaign that Heddon maintained, repeated and conspicuous reference to "Look for the Box with the Red Edge" (R. 313, 314) is consistently found in the Heddon literature, advertisements, etc. (R. 313). Down to the present the trade and public (all except Millsite, that is) have respected the rights claimed by Heddon for its "red edge" trade-mark, so that there has never, until the Millsite infringement, been any occasion to question the authenticity of fishing tackle put up or displayed in red edge containers.

Among other baits originated by Heddon is the River Runt, introduced on the market in 1928 and packed one to a box (distinguished by a red edge, of course) in which they were regularly displayed and sold to the public. These River Runt baits, first made of wood and later of plastic material, were unlike other Heddon baits in that they were short and stubby, and formed with a head having a center ridge between hollow cheeks, and provided with a metallic collar of distinctive contour. In course of time these River Runt baits achieved immense popularity and have become widely recognized and identifiable as a Heddon product by reason of the form, dimensions and general finish thereof. The sales of these River Runt baits, all having the same

distinctive form, dimensions, and appearance, eventually reached (in 1939) the enormous proportion of 46 per cent of Heddon's total bait sales (R. 288).

In the fall of 1938 Millsite announced its offering of a new line of baits which the record shows were copied closely from Heddon baits so as to reproduce their form, dimensions, pattern markings, and general finish. The Millsite baits *which initially were nameless* were packed individually in boxes, as was customary in the trade, but each box was distinguished by a red color marking strongly resembling the mark long used exclusively by Heddon, in that it featured a narrow red stripe extending along the edges of its top and one end of the box. The narrow red stripe applied marginally to the Heddon boxes is displayed always in the form of a rectangle on the top and a staple on the ends, and the Millsite boxes followed suit almost completely by exhibiting the narrow red stripe as a rectangle on the top and a staple on one end, the opposite end being red all over (see Heddon Exhibit 16; R. 34). Promptly upon these matters coming to the attention of Heddon, a vigorous protest was made and notice given, but without avail, that relief would have to be sought in the Courts unless these infringements were stopped.

To obtain redress Heddon filed its suit on April 11, 1939 in the United States District Court for the Eastern District of Michigan, Southern Division. Infringement was charged of two patents, two registered trade-marks and unfair competition because of simulation of Heddon baits in respect of non-functional features and the surface herringbone patterns thereon, and of certain other matters minor in themselves but all tending to aggravate the main offenses. Millsite also filed a counterclaim that has re-

ceived scant attention by all concerned. The case was tried before Honorable Arthur J. Tuttle, District Judge, who filed an opinion October 10, 1940 holding that Heddon's complaint and Millsite's counterclaim should be dismissed (R. 641). The patents were held invalid as were also the trade-mark registrations, and Millsite was found to be not guilty of unfair competition.

With respect to Heddon's red edge trade-mark the trial judge ruled that the registration was too broad, and with respect to the simulation of Heddon's River Runt baits it was ruled that, although copying was to be inferred, there was no showing of deception and hence no actionable wrong on the part of Millsite. Underlying this decision is the Court's holding of some misleading statements in the Heddon advertising, although he expressly refrained from calling it unclean hands.

On Heddon's appeal, the Sixth Circuit Court of Appeals considered only the issues of infringement of the red edge trade-mark and of close imitation of the appearance of Heddon baits, all other issues having been dropped out of the case. The decree of the trial Court was affirmed (R. 715) in a decision of May 6, 1942. As regards the red edge trade-mark the Appeal Court held that such a marking "is not a trade-mark and cannot be exclusively appropriated" (R. 706). It also found that (R. 706) "the alleged trade-mark here is a colored label which gives a distinctive external appearance to the packages containing appellant's goods and one which *indicates to some of the purchasing public that it contains appellant's goods*," but added, rather inconsistently, that it "does not point out distinctly the origin or ownership of the articles to which the label is affixed." It also concluded that Heddon's good will "is depend-

ent upon the use of its trade-mark 'River Runt' and the combination of features in the manufacture of the bait and its packaging, giving it a distinctive appearance" (R. 712), but that Heddon cannot complain of Millsite's use of indicia of origin "which it has an equal right to use, even though it makes an exact copy or duplicate" (R. 712). The Appeal Court also commented upon the insufficiency of evidence to the effect that anyone had purchased a Millsite bait "because if its shape, size or dimensions, believing it to be the product of appellant", adding that the Millsite bait had "been provided with its own name plate" (R. 713). This last statement is not true as regards the Millsite baits when first offered, and the Trial Judge so observed in his opinion (R. 638).

Although Judge Tuttle was frank enough to say "I do not like the extent to which the defendant has copied", and "after getting at the defendant's motive, as nearly as I can, I have no sympathy for the defendant" (R. 630), and the Appeal Court also noted that the Millsite bait "in its structural features was practically a copy of the bait appellant had theretofore sold under the trade-mark 'River Runt'" (R. 708), and "had herringbone markings on the sides which were indistinguishable from appellant's unless critically and closely examined" (R. 709), this latter Court ruled that some of Heddon's indicia of origin "belong to the public for any proper use, and as such appellee has an equal right to them" (R. 712), adding that "Appellant cannot complain of the use by appellee of any which it has an equal right to use, even though it makes an exact copy or duplicate" (R. 712).

The conclusion is inescapable that Millsite was exonerated mainly on the ground that Heddon was possessed of no enforceable rights in the premises, and that what

Heddon believed to be its exclusive property was, in fact, in the public domain and open to anyone for adoption. This ruling applies alike to its red edge trade-mark and to its baits of distinctive form, dimension and appearance, known as River Runt. Inasmuch as the red edge trade-mark in question is one that has been Federally registered, a presumption of validity has attached thereto from the beginning. We therefore have on the one hand an approval of the mark by the authorities constituted to grant registrations under the Trade-Mark Act of 1905 and a disapproval of the same mark by the Appeal Court on the ground that "it does not point out distinctly the origin or ownership of the articles to which the label is affixed", and that color "except in connection with some definite, arbitrary symbol or in association with some characteristics which serve to distinguish the article as made or sold by a particular person is not subject to trade-mark monopoly" (R. 706). It is fair to assume, we believe, that if the rights which Heddon sought to enforce had been adjudged legally enforceable under its Federal registration, then Millsite would most certainly have been found guilty of infringement on the points just noted.

Heddon filed a Petition for Rehearing on June 8, 1942, which was denied by the Appeal Court on June 29, 1942, without comment.

II.

Basis for Jurisdiction.

The jurisdiction of this court is based upon the provisions of the Act of February 20, 1905, as amended, U. S. C., title 15, sec. 81 *et seq.*, and particularly on Sections 16, 17, 18, 19, and 20 thereof, which define the rights and reme-

dies under registered trade-marks, and provides that writs of certiorari may be granted by the Supreme Court for the review of cases arising under this Act in the same manner as provided for patent cases by the Act creating the Circuit Court of Appeals. Section 16 provides that suit shall lie against one who applies the registered trade-mark on "merchandise of substantially *the same descriptive properties* as those set forth in such registration", as to packages, wrappers or receptacles, etc., so that jurisdiction extends to a consideration of the *goods themselves* as well as the boxes which display the registered mark.

III.

The Questions Presented Are as Follows:

1. May *a particular design*, in which *a specified color* constitutes *the dominant feature*, become the proper subject for a Federal trade-mark registration?
2. Is a narrow red stripe extended along the edges of a box of contrasting ground color and upon its ends, sides and top, in the form of a rectangular figure closed on all sides or open on only one side, valid subject matter for a trade-mark for certain specified goods therein contained?
3. Does a narrow red stripe extended along the edges of a box upon its ends, sides and top, in the form of a geometric rectangle closed on all sides or open on one side only, satisfy the requirements of "*a particular design, as a circle, square, triangle, a cross, or a star*", within the meaning of the Court's decision in *Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, (201 U. S. 166)?
4. May a Federal registration of trade-mark be valid, when claimed for fishing lures and allied items, and described as "*a narrow red stripe*" which is "*applied to one*

or more edges of the boxes, bags, or containers for the goods", and when in the only illustrated embodiment thereof it appears upon a box having a red border in the form of a geometric figure closed on all four sides or open on one side only?

5. When the Court of Appeals finds that Petitioner's mark is distinctive in appearance and also serves to identify the goods sold thereunder, can the Court consistently conclude that it is not proper subject for a trade-mark?

6. May one who sells competing products of substantially identical appearance, enhance the likelihood of confusion by enclosing the same for shipment in boxes, having a similar "red edge" marking, for containing baits whose "design is so similar to appellant's that it would be frivolous to allow appellee to escape on the ground of dissimilarity", as found by the Court of Appeals (R. 712), when the original proprietor's good will is, in part, dependent upon "the combination of features in the manufacture of the bait and its packaging, giving it a distinctive appearance" (R. 712), long recognized in the trade as the indicia of origin?

7. Where Millisite has copied the form, fittings, and markings to an extent which renders its baits practically indistinguishable from Heddon's, and has employed Heddon's registered trade-mark to promote the sale of such spurious goods, is not this court invested with the power to consider the appearance of the goods themselves as factors in the infringement of rights arising under a Federal grant, and in extending complete relief appropriate to *every phase* of the infringing transaction, including the sale of the baits alone, as well as the selling of such baits in red edged boxes?

Wherefore, your Petitioner respectfully prays that a writ of certiorari be issued out of and under the seal of this Honorable Court, directed to the United States Circuit Court of Appeals for the Sixth Circuit, commanding that Court to certify and to send to this Court, for its review and determination, on a day certain to be therein named, a full and complete transcript of the record and all proceedings in the case numbered and entitled on its docket No. 8934, *James Heddon's Sons, Appellant, v. Millsite Steel & Iron Works, Inc., Appellee*, and that the said judgment of the Sixth Circuit Court of Appeals may be reversed by this Honorable Court, and that your Petitioner may have such other and further relief in the premises as to this Honorable Court may seem meet and just; and your Petitioner will ever pray.

JAMES HEDDON'S SONS

By

and

Its Attorneys

Chicago, Illinois
September 14, 1942